

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:1204
ANSWERED ON:27.11.2000
POWER GENERATION BY HIRMA POWER PLANT ORISSA
RAMJI LAL SUMAN

Will the Minister of POWER be pleased to state:

- (a) whether Hirma power generation project in Orissa has been completed;
- (b) if so, whether the rate per unit of the power to be generated by the above project is fixed at Rs. 1.22 per unit whereas the plant load factor is 85%;
- (c) whether the power generated in the said project is cheaper in comparison to the power projects run by the other private sector in the country;
- (d) if so, the reasons therefor; and
- (e) the average rate of the power generated by the other projects under private sector?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) : No, Sir.

(b) : The levelised fixed charge per unit of power to be generated from the 6x660 MW Hirma Thermal Power Project in Orissa being promoted by M/s Southern Electric Asia Pacific (SEAP) Ltd. has been determined as Rs.1.3398 per unit at 85% guaranteed availability with super critical boilers and at 74% front loading, by the Central Electricity Regulatory Commission (CERC). However, the promoters of the project have filed a review petition with the CERC for review of this tariff.

(c) & (d) : The Hirma Thermal Power project has been identified as a mega power project which will meet the requirements of five States in the Northern and Western Regions. Under the revised mega power policy of the Government of India announced in 1998, the import of capital equipment for the mega power project would be exempted from payment of custom duty. In addition, the income tax holiday can be claimed by the promoters in any block of 10 years within the first 15 years. The State Governments have been requested to exempt supplies made to mega power projects from sales tax and local levies. All such measures and the economies of scale in mega projects would substantially bring down tariffs.

(e) : It is not practical or possible to compute the average rate of power generated by the power projects commissioned in the private sector as the cost of power is dependent on various factors like the type of project, viz. Hydro or thermal, fuel used, viz. coal, liquid fuel, natural gas, etc. distance of the project from the fuel source, technology used, the mode of financing etc.